

**Written Statement of Michael Allegra,
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**At a Symposium regarding
“Creating Livable Communities:
Housing and Transit Policy in the 21st Century”**

Chairman Dodd and Members of the Committee:

I very much appreciate the opportunity to present this statement describing what the Utah Transit Authority (UTA) has learned about this important subject over the past decade in the Salt Lake City region. At the outset, I wish to gratefully acknowledge the strong support we have consistently received during that entire time from a member of this Committee, Senator Robert Bennett. His leadership has been decisive on transit related issues for UTA, and his familiarity with transportation related rules and procedures has helped guide our agency through some very challenging moments during the last decade. Importantly, he has been encouraging and very supportive of helping the Wasatch Front, the area where 85% of the State’s population live, chart a long term transportation plan.

Introduction

They say that we can only be sure of death and taxes, but the historical relationship of transportation with land use and housing is so strong, that I believe we can be equally sure of that. From the earliest days of the country, the federal government has furthered land and economic development with support for turnpikes, canals, railroads, the federal interstate system and more recently, transit. Access is everything. In a recent speech¹, Salt Lake City Mayor Ralph Becker underscored this relationship when he said,

“In the Salt Lake Valley, as elsewhere throughout the country, urban sprawl and population growth have dictated our need for higher, more efficient transportation capacity. For many years, auto-centric development spurred highway and road construction and discouraged mass transit. Salt Lake City’s 115-mile streetcar system was eliminated in 1941. Today we are responding with sustainable planning strategies, transit-oriented developments, light rail lines, and re-implementation of streetcars. Salt Lake City has emerged as a national leader in transit development. After two successful

¹ “From Self-Sufficiency to Sustainability: Building on Our Heritage for a Sustainable Western Future,” a speech by Salt Lake City Mayor, Ralph Becker, on March 5, 2009.

light rail lines and a new, 40-mile commuter rail line in the last eight years, Utah voters have increased their taxes to build 70 [more] miles of rail in the next seven years.”

Overall Perspective

We are very conscious that this is a pivotal time in history. The world is facing some of the most serious challenges of our lifetime in several major areas: economic development for a growing world population increasingly divided between rich and poor; meeting our growing energy needs in a sustainable way; and response to the difficult problems of climate change. Each of these global problems has its direct counterpart here in the U.S., and we are now struggling to deal with them, both in national policy and in regional and local policies. The solutions will involve many factors, but improvements in transit service levels in our urban regions can play a very significant part, as the following study findings show:

American Public Transportation Association (APTA) research recently showed that households with access to transit drive an average of 4,440 fewer miles annually compared to those in similar households without access to public transit. **APTA also reports that a two-adult household that gives up one car to use public transit saves \$9,596 annually.** The last annual report of the Texas Transportation Institute (TTI) on national congestion levels found that Americans living in areas served by public transit save 541 million hours annually in travel time. Science Applications International Corporation (SAIC) found that it takes just one commuter switching from daily driving to public transit use to reduce the carbon footprint of that household by 10%. Statistically, public transit is 25 times safer than using a car; and improves public health, fostering an active lifestyle, encouraging more people to walk, jog and bicycle to transit stops.

Those national findings are echoed in the urbanized Wasatch Front region of Utah. **A private non-profit corporation, Envision Utah, was created by the business community to perform research and advocate for policies to promote sustainable growth and more livable cities.** Their “mind-mapping” polling of residents of the region show that the issues most important to those residents are safety, security, family and neighborhood. **A very significant finding from Envision Utah research is that if 30% of out new growth is located on the 3% of developable land at areas of regional transportation significance – growth consistent with market demand – it will result in a 10% reduction in annual Vehicle Miles Traveled (VMT)!** This represents a \$6.4 – 8.8 B savings in transportation infrastructure.

University of Utah research shows that in 2007 almost half of all Americans wanted to live within walking distance of transit. The research further reported that number was growing and may now be approaching 60%; and that 35-40% of those polled stated they want to live in walkable communities. One implication of this research is that to achieve that level of transit accessibility, most of the 24 million new occupied housing units required to handle American population growth between 2007 and 2030 will need to be built close to existing or planned transit stops!

The Regionally Adopted Long-Range Transportation Plan will result in 80,000 acres of developable land being within ½ mile of a major transit station. With reasonable TOD standards, this represents approximately 1,000,000 people. By 2030, 90% of the residents of the UTA service area will live within 1 mile of a rail transit station. This fact has not been lost on the private sector and by development boards in Utah. More than \$7 billion in new land development is currently under construction or committed for construction around the new rail stations in the UTA Transit 2015 rail program – better than a 3 to 1 return on the public investment in rail. These developments include:

City Creek Project

This is a huge and ambitious \$ 2 billion mix-use development project in the heart of downtown Salt Lake City. It will become a world premier Transit-Oriented Development using the historic principles of “people & place” established by the master architects who designed the classic pedestrian plazas of Italy.

Gateway

The Gateway residential and commercial complex was a massive reclamation and revitalization of an old rail yard that allowed the Salt Lake downtown area to practically double in size. This development has become the foremost location in the Salt Lake region and is surrounded on three sides by transit. Approximately 20% of all downtown housing is located within this TOD.

Daybreak (Kennecott Land)

Kennecott Land Development, a subsidiary of Rio Tinto, owns approximately one-half of the remaining developable land in Salt Lake County and has over 5,000 acres entitled in the Daybreak community. As a single private entity, they are creating the largest TOD projects in the Country. Today, the growing community of Daybreak is the largest master-planned TOD in Utah. The Daybreak, “New Urbanism” plan, provides for nearly 20,000 residential units and over 30,000 jobs and that is just in the first phase. Additional land adjacent to Daybreak, well over 45,000 acres, provides opportunity for continued growth for generations.

University of Utah, Universe Project

The University of Utah has an aggressive TOD project in the works. This has come about by the significant investment in transit on the campus. The rail investment has increased transit mode split to almost 40%, thereby freeing up asphalt parking lots for a higher and better use. In this case the University is building a destination, mixed –use TOD with over 800 residential units surrounding the UTA TRAX rail station.

Hamlet Homes

This developer is building and marketing units surrounding UTA’s TRAX rail lines.

Obstacles to Transit-Oriented Development

There are a number of obstacles to transit-oriented development. These include inertia in the free market, with continuation of the past in homebuilder focus on sprawling, low-

density, single-family detached housing, even though demographic and market studies all point to the declining demand for that type of housing. A similar inertia exists in many city councils and planning commissions, especially in smaller cities that have not updated their codes to reflect rising demand for different types of housing and for locations adjacent to transit service. There is also a lack of real experience with genuine transit-oriented development on the part of many developers. Some have misrepresented their projects as transit-oriented development, when in fact they are no such thing.

A further obstacle is the problem of expectations and timing. Development must fit within the context of a given corridor or urban area; and within the current economic cycle in that region. One corridor may emphasize new development on vacant land; another may focus on redevelopment to different and higher uses. In other words, expectations for the kinds of development and the timing of development must be in synch with economic reality.

Another major obstacle is the problem of assembling enough parcels of land to enable projects of adequate size to be developed cost-effectively, either by a private developer, or by a transit agency, city or re-development agency.

Best Practices for Promoting and Implementing Transit-Oriented Development

While we do not claim to have all the answers, there are a number of examples that we can point to in our region that may have applicability elsewhere. One of these examples is the work done to achieve a genuinely shared, unifying vision for regional development, based on scenario planning, with broad involvement of the public at large, local elected officials and the business community. Envision Utah, the private organization previously referred to, has undertaken this kind of effort with great benefit to our region. The results of the most recent effort in this educational, scenario planning and visioning exercise are incorporated in the document submitted to the Committee with this paper, *Wasatch Choices 2040*.

Polls have borne out the increased public consciousness about environmental issues; and about livable communities with mixed uses that permit walking or bicycling for many kinds of shopping, recreational and service needs. Drawing upon that increased public interest and consciousness, local governments and transportation agencies in our region have been able to build coalitions of conservatives in neighborhoods, environmental activists, quality growth proponents, and business interests to achieve remarkable results. One example is the recent completion of joint planning by the metropolitan planning organizations (MPO's), local government, the UTA, the Utah Department of Transportation (UDOT) and Envision Utah for a new combined freeway and transit line in the rapidly developing western part of Salt Lake Valley, called the Mountain View Corridor. The melding of interests by the environmental and development communities enabled that project's development plans and NEPA environmental impact statement to be streamlined, and preparation for early implementation to take place, promising great economic benefit to the region during the current economic downturn.

The Greater Salt Lake Chamber of Commerce has also been a great supporter for quality development, improved transit access, and funding of transportation that meets broad regional goals.

Creating and Preserving Affordable Housing in Areas of Transit-Oriented Development

While I claim no expertise in the area of affordable housing, I would point out that studies by the Brookings Institution and the Urban Land Institute in recent years have indicated the close relationship between transportation and housing costs. Families that cannot afford housing close to central city jobs frequently buy further out, with resulting increased household costs for transportation. Families in most American cities spend an average of 25% or more of their household income on transportation – the largest single expense outside of housing. Families in those U.S. cities – and cities generally in Canada and Western Europe – with excellent transit systems have considerably lower average household expenditures on transportation – generally between 10% and 15%. As UTA improves transit accessibility generally in our region, we expect that broader choices for travel will also make it possible for broader choices of housing and that the combined costs of housing and transportation will decline for most families.

Perspective on the Federal Government's Role in Incentivizing the Coordination of Local Planning and Land Use to Meet Transportation, Housing and Environmental Goals

We believe that there is clearly a federal interest in helping our urban regions – the real drivers of our national economy – deal more effectively with the problems of economic competitiveness, energy independence, and climate change. Because those problems are integrally wrapped up in transit and transportation development policy, in tax policy, and in housing policy; and because federal actions in those areas often have a profound effect on local decisions, UTA has a great interest in federal policies that will support changes desired in our region and also support broad national goals. UTA would like to see federal consideration of the following:

- Support for Smart Growth/Quality Growth, following the Envision Utah example
- Offer transit tax credits to TOD developers or Homeowners, similar to those offered to employers who pay some or all of employee transit fares
- Provide incentives to banks to lend money to TOD developers
- Encourage bank loans for housing within TODs
- Encourage the development of greater responsibility by regional planning agencies and/or Metropolitan Planning Organizations for the coordination of federally supported transportation with federally supported housing and environmental decisions
- Promote multi-modal transportation decision-making by regional and local agencies by simplifying the 100+ separate federal transportation funding programs currently existing, and enabling more flexibility in the use of those funds among modes
- Create a federal Metropolitan Mobility Program that would level the playing field between transit and highways – it should provide *program funding for transit*, just as highway funding now has, and replace the burdensome current federal transit New Starts program that requires project-by-project competitive consideration. The federal percentage match for highways and transit should also be equalized.

- Congress should support the proposed Complete Streets Act of 2009, providing for development of safe, esthetically pleasing, pedestrian-friendly and more livable streets and highways in our nation

Summary

I believe that the present time offers a “perfect storm” of opportunity – an opportunity to create a win-win-win situation for conservatives and business, for environmental activists; and for transit agencies and cities.

Over the past 50 years, federal transportation policy has been focused on development of a world class highway system, providing connectivity across the U.S., supporting the movement of goods and people between and within our urban regions and facilitating national economic development. While all of us agree on the need to preserve and maintain that highway system, today’s transportation development need is different. National goals for global competitiveness, energy security, environmental sustainability and economic vitality, all require a new focus on *transit service within and between our urban regions*. When compared with Europe and much of Asia, our current minimal investment in transit systems makes the U.S. the least competitive. We need efficient, multi-modal metropolitan transportation systems that will keep America’s economic engines productive and efficient. An energy-efficient “National Transit System” should be established as the 21st Century equivalent of the Interstate Highway System established in the 20th Century. Federal standards should be established that would promote and support the incremental development of top quality public transit systems, providing real travel choices to residents, in every urbanized area of our country – decisions for investments over the next 30 years that will affect future generations. The new paradigms should be sustainability, environmental responsibility, accountability, walkability, regional scenario planning, urban goods movement, and transportation and housing choices.

I appreciate the opportunity to provide this testimony to the Committee and this concludes my written statement.